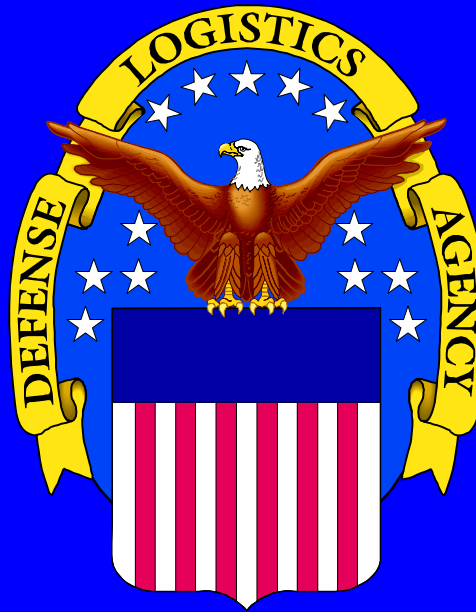


Defense Contract Management Command



**Back to Basics
&
Back to the Future**



The System Is Us People of Accomplishment

**Rarely Sit Back & Let
Things Happen to Them.
They Go Out & Happen
to Things.**

**We're Here
to Make
a
Difference.**

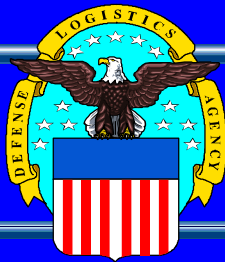
Elinor Smith



Aligning to the Right Stuff

Help all your folks...

- Know the stuff in the performance plan
- Understand what it means to DCMC
- Think about how it applies to your environment
- Pick your targets of opportunity
 - Have Group Leaders bring to December conference



A Rainbow of Questions

What are we going to do to make it happen?
Are we getting there? Fast enough? At all?

What process changes are required?

Have we secured enough resources to ensure success?

What direction is that from here?

How do we deploy the changes we need?

Where are we going?

Where do we spend our last nickel to make it better? Or take it from to impact it least?

Performance Management



Measures...

Doing Today's Mission

Top 7

Right *Item*: Does It Meet Contract Requirements?

Right *Time*: Is It Delivered On Time?

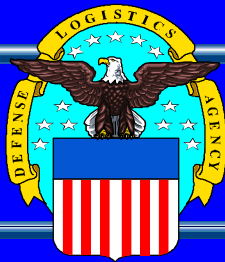
Right *Price*: Do We Find Cost Savings/Avoidances?

Right *Advice*: Is It On Point?

Right *Reception*: Is the Customer Satisfied?

Right *Efficiency*: Are We Getting More Affordable?

Right *Talent*: Are We Prepared?



Initiatives...

Building Tomorrow's Organization

Risk

- Align Resources to Contractor and Product Capability
- Try Alternate Oversight Approaches
- Reengineer DCMC Processes to Risk-Based

Acquisition Process

- Stay Up with External Process Changes
- Turn Data into Usable & Actionable Intelligence
- Maximize DCMC Role as DoD Change Agent

Workforce

- Establish Effective Workforce Development System
- Define & Acquire Future Workforce Skills
- Establish Certification & Currency Programs

Infrastructure

- Use Information Technology to Advance Business Processes
- Communicate More and Better
- Use Assessments of Business Processes to Improve Performance





Heard on the Street

From Oversight

To Insight



Oversight to Insight

Focus on What

**Focus on Why
... Analysis**

Compliance

**Improvement
... Interpretation**

**Reports on
Past Events**

**Reports on Future Impacts
... Prediction**



Oversight vs. Insight

- **Oversight is Not Evil**
 - **In Some Cases it is Necessary**
- **Oversight is Costly and Non-Value Added**
 - **In Those Cases Where Insight Could Have Alleviated the Need for Oversight**

**The Trick is to
Know the Difference**



Examples of Insights

Mr. PCO. I've reviewed your upcoming Solicitation. The last 3 times other PCOs used that incentive provision, they were disappointed in the results. I've drafted one for you that's based on 5 other types that have worked.



Examples of Insights

Ms. DCMC Liaison. All the orders from the buying activity where you are contain ARO delivery dates. This contractor only delivers at the end of the month. So there are either lots of delinquencies or lots of mods. How can I help you persuade the buying activity to change?



Examples of Insights

Mr. HQ Person. We've developed a process for a continuous FPRA that works for us & our customers. Unfortunately the "One Book" doesn't allow for this. Can you give us a deviation and/or change the "One Book" ?



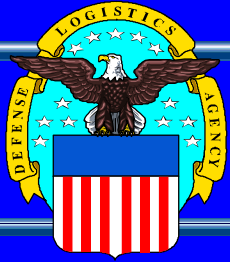
Challenge

- Turn What You Know into Insight
- Turn Insights Into Action
 - Action to Change What You Can
 - Action to Influence All Else

Insight
=
Lesson Learned

Improve
Packaging of
DCMC Data

Make the
Acquisition
Process
Better



Measures ... From Control to Influence

Needs

Expectations

What Do They Want ?

**Areas
of
Influence**

What Do We Want to Commit to Do ?

**Spheres
of
Influence**



Areas of Influence...

Partners in the Acquisition Process

Right Item

Right Time

Right Price

Right Advice

Right Reception

Right Efficiency

Right Talent

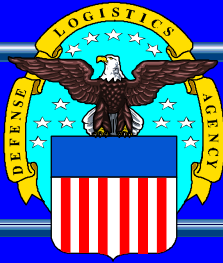
Postaward

Preaward

Satisfaction

Affordability

Expertise



History of CAS (This Century)

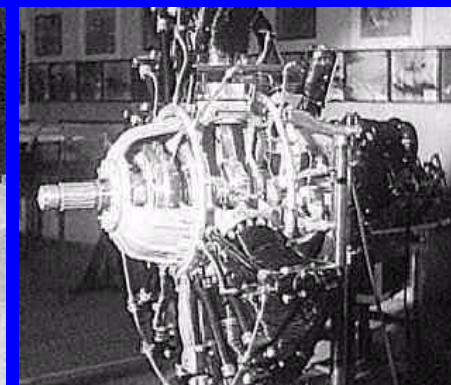
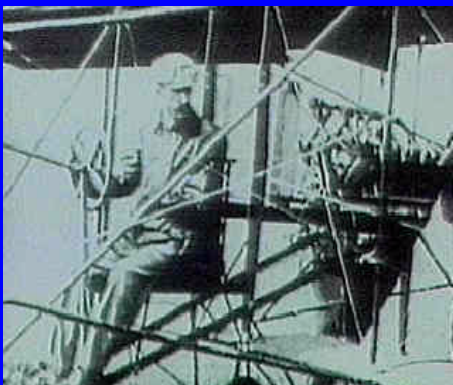
First Half

- > 1907 Flying Machine - Article III
- > 1917 Army Signal Corp - Inspection Department
- > 1921 Boeing First In-plant Inspection Office
- > 1922 Lt Frank Tyndall - First Commander & Test Pilot
- > 1941 First Production Specialist In Plant
- > 1941 Create PCOs & ACOs - ACOs In plant

Right
Item

Right
Time

Right
Price





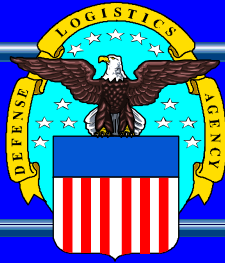
What History Tells Me

- CAS Has Been Very Important to the U. S. Defense Establishment For Many, Many Decades... It

*What Our Customers First Wanted, They Still Want...
Right Item, Right Time, Right Price*

Or in Size, It is Still Right Item, Right Time
and Right Price

- The Movement Toward Centralization of CAS Activities Since Project 60 has been Driven by Factors Which Continue Today: Drive Down the Direct Cost on DoD for CAS and the Indirect Cost on Industry from CAS
- Therefore, While So Much is Changing Around Us, Keep Working Toward Meeting Customer Needs, Teamwork and Professional Skills of the Workforce, Especially in Our Core Competencies ... It's Tough... It's Leadership



Areas of Influence...

Partners in the Acquisition Process

Right Item

Right Time

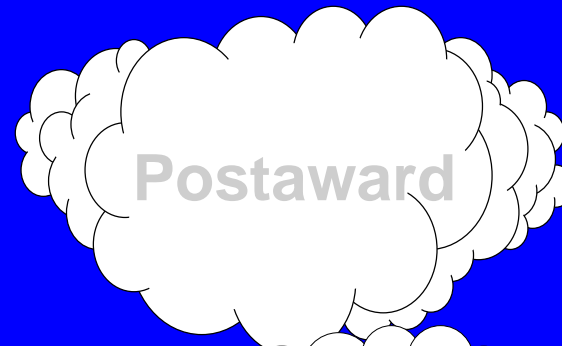
Right Price

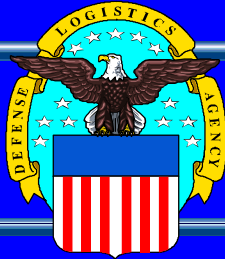
Right Advice

Right Reception

Right Efficiency

Right Talent





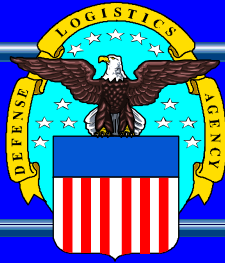
Early CAS Examples

- DCMC Bell-Textron recommendations on CV-22 (Spec Ops version) contract mods resulted in identification of significant savings (> \$9M).
- DCMC Boeing identified an error in the JSF RFP which could have resulted in a billion dollar protest had it gone uncorrected.
- DCMC asked to review USAF draft RFP to privatize C-5 depot maintenance at San Antonio ALC... their recommendations (on ground flight risk clauses) were accepted... DCMC asked to remain part of the AF working level team.



Early CAS Examples

- **SPAWAR PEO restructured his source selection strategy for contractor past performance evaluation based on DCMC recommendations for direct CAO involvement in SSEB meetings.**
 - **adopted as “best practice” by Navy**
- **DCMC teamed with NAVAIR Contracts early CAS (Alpha Contracting) effort on LAMPS MK-III & EA-6B**
 - **cut RFP development and proposal negotiations timeline by 66%**



Areas of Influence...

Partners in the Acquisition Process

Right Item

Postaward

Right Time

Right Price

Preaward

Right Advice

Satisfaction

Right Reception

Affordability

Right Efficiency

Right Talent

Expertise



You Never Get a Second Chance To Make a Good First Impression

Wide Area Munition PM

“Folks at DCMC Textron are great. Frank DeMasi is great to work with.”

CECOM IM

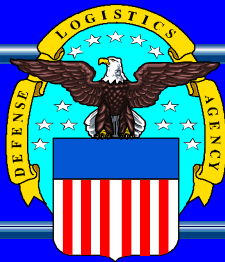
“We had a big problem. Col Washington, DCMC NY and his staff really helped us resolve the issues.”

NAV ICP

“Mr. Neal Norcott, DCMC Boston is a ‘top of the line’ person.”

Army Avenger PCO

“Two folks at DCMC Birmingham, Ms. Lorraine Edwards and Mr. George Escher, are outstanding in their support to the PCO.”



You Never Get a Second Chance To Make a Good First Impression

Army Smart-T PCO

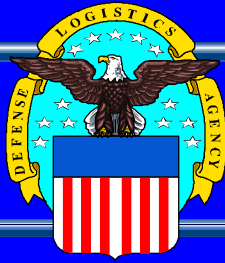
“Mr. Charles McCabe at Raytheon is the best person I have ever worked with.”

Blackhawk PM

“ DCMC GE Lynn, CAPT Trainer, is great. They really support us. You are logical not parochial.”

MILSTAR PCO

“Ms. Angela Frakes, DCMC Rockwell, is Exceptional.”



Areas of Influence...

Partners in the Acquisition Process

Right Item

Postaward

Right Time

Right Price

Preaward

Right Advice

Satisfaction

Right Reception

Affordability

Right Efficiency

Right Talent

Expertise



Project 60: What Needed Fixing

- **Lots of Criticism of Contract Management: e.g. Overpricing, Unfair and Poor Subcontract Management (per GAO)**
- **Extensive Overlap and Duplication: Multiple DoD and NASA CAS Activities at Same Places**
- **Confusion Over Wide Variations in Procedures and Practices... No Uniformity**
- **High Cost Burden: Too Many People and Increased Weapons System Expenses**





What History Tells Me

- CAS Has Been Very Important to the U. S. Defense Establishment For Many, Many Decades... It Will Continue to Be Important
- What Our Customers First Wanted, They Still Want... Right Item, Right Time, Right Price
- No Matter How Much We Change Organizationally

The Movement Toward Centralization of CAS Activities Since Project 60 has Been Driven by Factors Which Continue Today: Drive Down the Direct Cost on DoD for CAS and the Indirect Cost on Industry from CAS

Needs, Teamwork and Professional Skills of the Workforce, Especially in Our Core Competencies ... It's Tough... It's Leadership



Areas of Influence...

Partners in the Acquisition Process

Right Item

Postaward

Right Time

Right Price

Preaward

Right Advice

Satisfaction

Right Reception

Affordability

Right Efficiency

Expertise

Right Talent



Perceptions are Reality

- Only Area of Disappointment is DCMC Engineering
- Contractor Price is Not Questioned. Always Comes in at Ceiling Unless PCO Asks for a Review. It Would be Nice if they Questioned the Price.
- QA Guys Who have been Around Since the 50s/60s Should Get Out... They are not Willing to Change.
- Cost/Schedule - If you get the Right Person, It's Great... If Not, You Get a Bad Answer.
- Sometimes a Response, Sometimes None. Not Getting Info on Late Items.
- ACOs Too Busy to Talk to Us.
- Sometimes Reports are Excellent, Sometimes They are Worthless. It all Depends on the Person Assigned.



Measures...

Doing Today's Mission

Top 7

Right *Item*: Does It Meet Contract Requirements?

Right *Time*: Is It Delivered On Time?

Right *Price*: Do We Find Cost Savings/Avoidances?

Right *Advice*: Is It On Point?

Right *Reception*: Is the Customer Satisfied?

Right *Efficiency*: Are We Getting More Affordable?

Right *Talent*: Are We Prepared?



Measures ... From Control to Influence

Needs

Expectations

What Do They Want ?

**Areas
of
Influence**

What Do We Want to Commit to Do ?

**Spheres
of
Influence**



Sphere of Influence ... Right Item

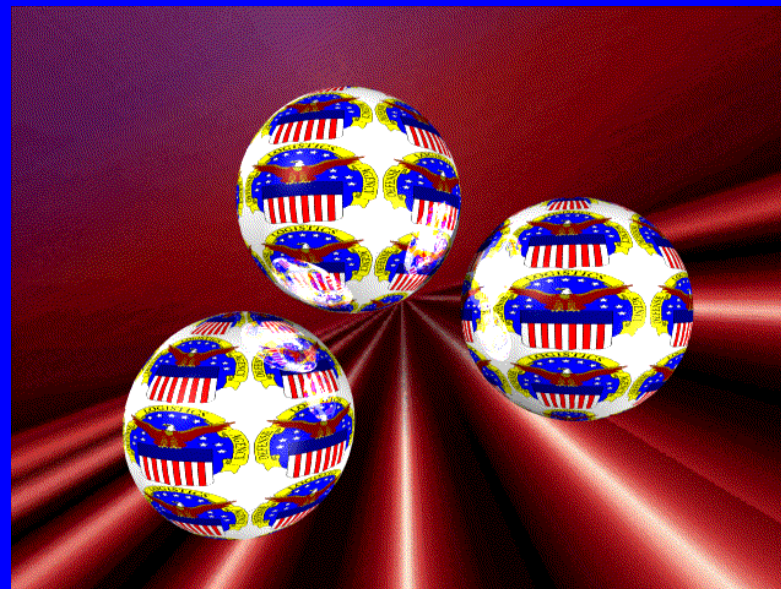
Per Contract Specs.



What Warfighter
Wanted

Conforming Items

Usable Lab Tested Products / # Tested

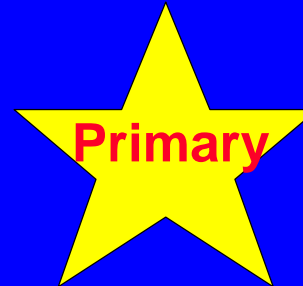




Right Item Targets of Influence

➤ Contractors

- Make or do it right



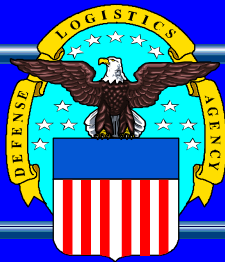
➤ PMs/PCOs & IMs/PCOs

- Clear requirements definition
- Current, accurate data packages



➤ Policy Making Activities

- Make past quality performance a key factor in vendor selection policies

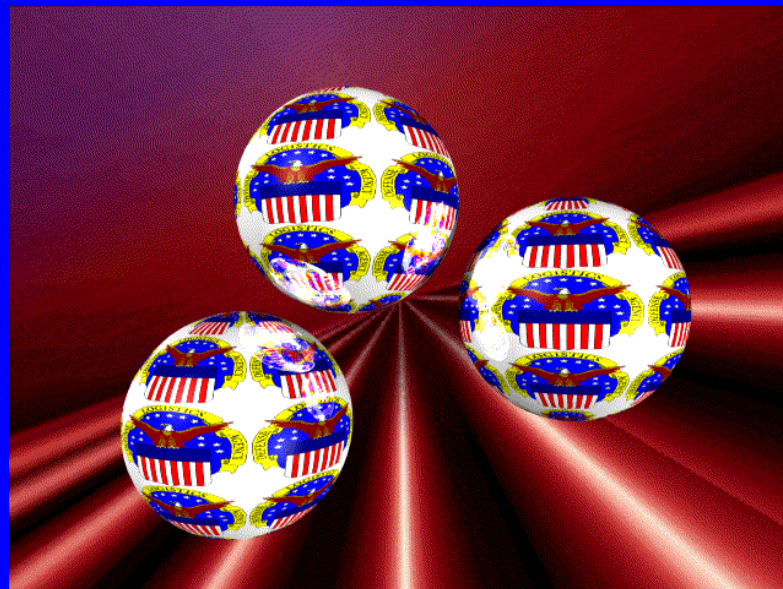


Sphere of Influence ... Right Time

Contract Schedule  The Earlier the Better

On Time Deliveries

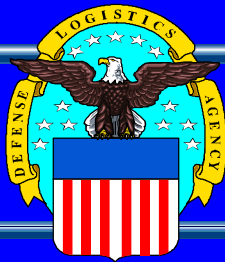
Line Items Delivered / Line Items Due





Right Time Targets of Influence

- **Contractors**
 - **Deliver on time**
- **PMs/PCOs & IMs/PCOs**
 - **Specify Realistic Schedules**
 - **Contract with Quality Producers**
- **Policy Making Activities**
 - **Make past delivery performance a dominant factor in vendor selection policies**



Sphere of Influence ... Right Price

Stay Within
Budget / Cost

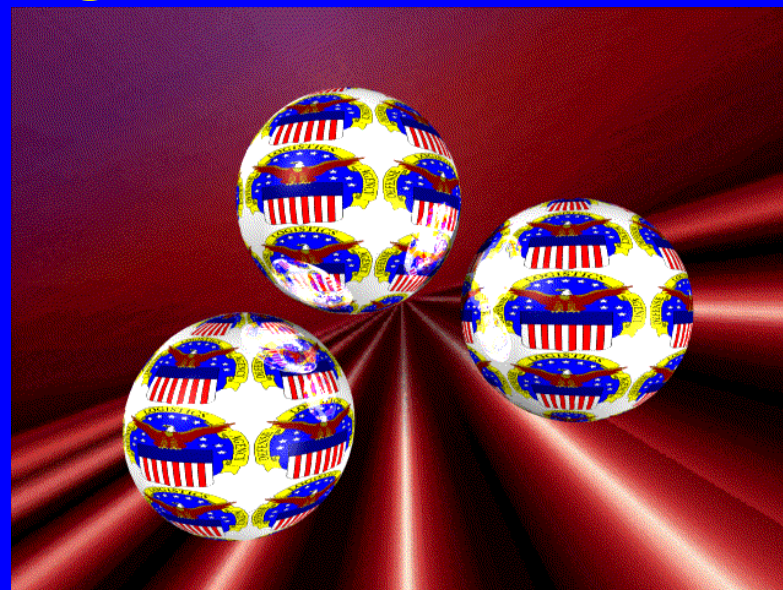


Reduce Costs

Realized Savings & Avoidance

Cost Savings & Avoidances / DCMC Budget

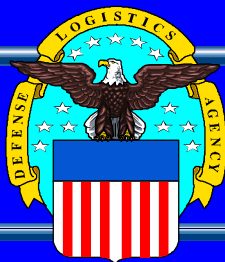
ROI !





Right Price Targets of Influence

- **Contractors**
 - Push PROCAS & process improvements
- **PMs/PCOs & IMs/PCOs**
 - Use us more for negotiations
- **Policy Making Activities**
 - Push Management Councils



Sphere of Influence ... Right Advice

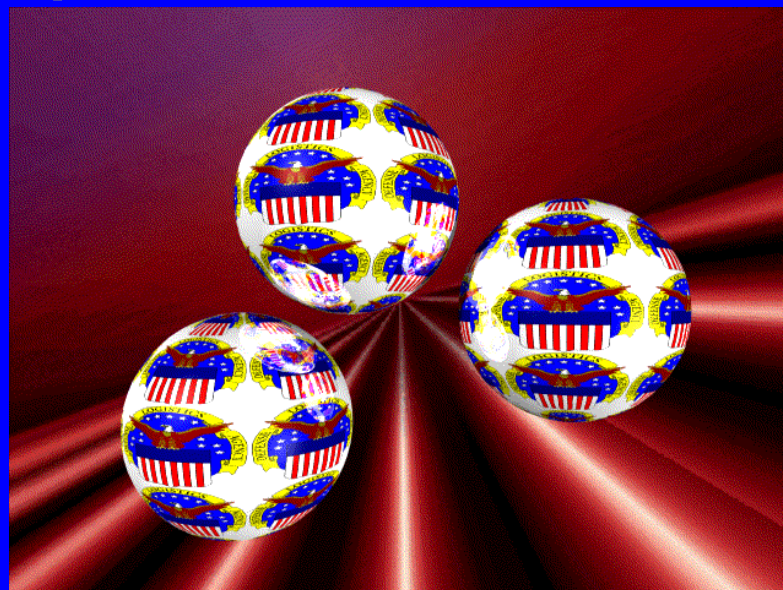
Respond to Requests



Be Proactive

Very Early Participation

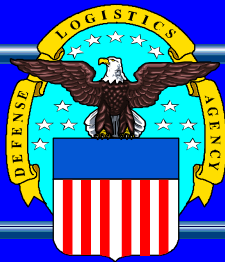
Participation in ASPs & RFP Reviews





Right Advice Targets of Influence

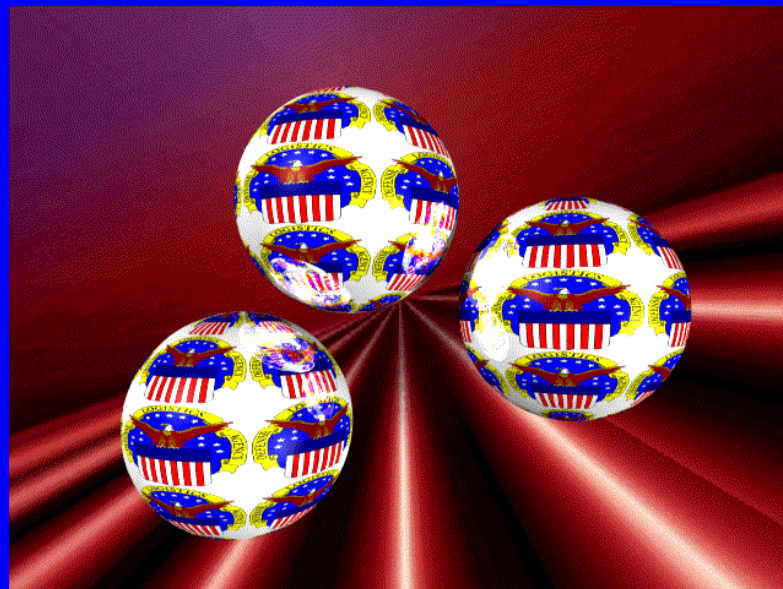
- **Contractors**
 - Find the true motivators for performance
- **PMs/PCOs & IMs/PCOs**
 - Show them what value you can add
 - Help them make better contracts
- **Policy Making Activities**
 - Encourage requests for DCMC involvement



Sphere of Influence ... Right Efficiency

Get More Affordable  **OR**  Get Contractor Better

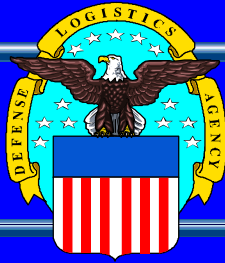
Contracts Per Person





Right Efficiency Targets of Influence

- **Contractors**
 - **More Self-Oversight**
- **PMs/PCOs & IMs/PCOs**
 - **Acceptance of Risk Management on their Program or Contract**
- **Policy Making Activities**
 - **Regulatory Changes to Streamline Post-Delivery Processes**



Sphere of Influence ... Right Reception

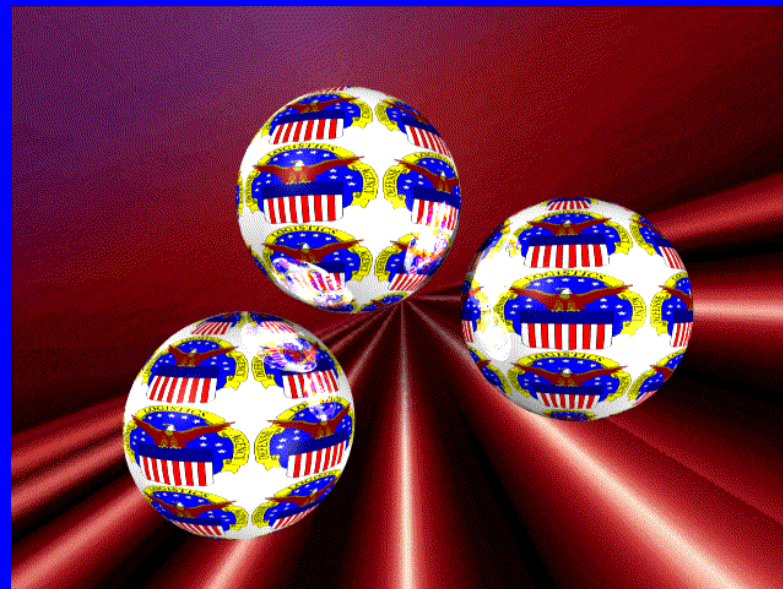
Customers Love Us



DCMC Employees
Meet Set Standards

Customer Satisfaction

PM & PCO Ratings > 4.0 / # Contacts





Right Reception Targets of Influence

- **Contractors**
 - **Right Item, Time, Price**
- **PMs/PCOs & IMs/PCOs**
 - **Look to us for Right Item, Time, Price, Advice**
 - **Include us in IPTs**
- **Policy Making Activities**
 - **Include us in Study Groups**

**Support
Pls, PSTs,
Liaisons !!**

**Answer the
Phone!
Return Calls!**

Be Responsive!

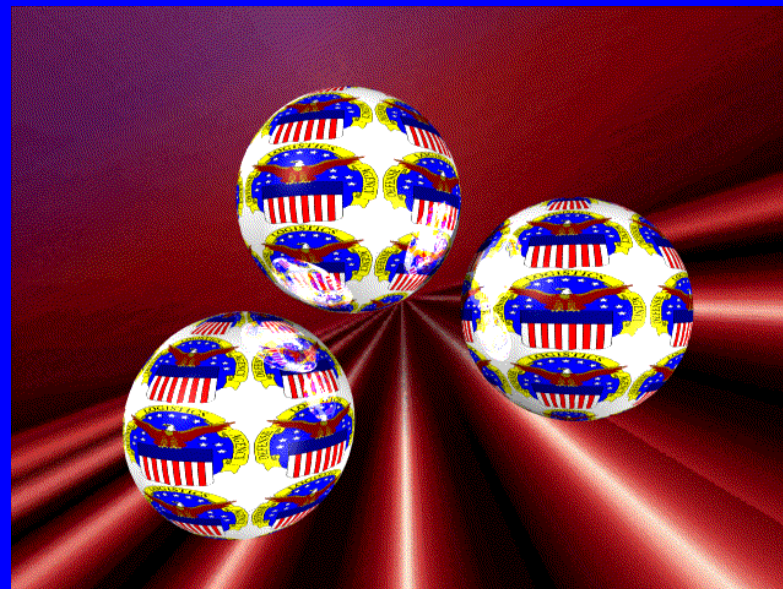


Sphere of Influence ... Right Talent

Meets Qualifications  **OR**  Exceeds Qualifications

Training Hours

Training Hours / Employee vs. Industry Benchmark



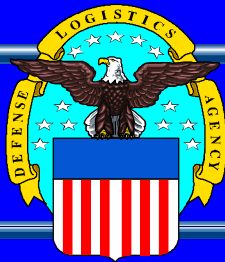


Right Talent Targets of Influence

- **Contractors**
 - **Recognize our Expertise**
- **PMs/PCOs & IMs/PCOs**
 - **Recognize our Expertise**
- **Policy Making Activities**
 - **Different Methods of Course Delivery**

**IDP
a Contract, Not
a Wish List**

**Balance Workload
to Support
IDP Execution**



The Only Way to Fly



Design Defects
First Pass Yield on First Articles
Packaging Discrepancies
Delay Forecast
Coverage/Timeliness/Accuracy
CPL Coverage
ECP Cycle Time
Schedule Slippages on Major Programs
Shipping Document Cycle Time

Negotiation Cycle Time
Overage UCAs On-Hand
FPRA Coverage
Cost Overruns on Major Programs
\$LDD Compared to Industry Standard
Repeat Requests for Early CAS
Adopted Software Recommendations
% Contractors on CAL
SPI Implementation
Preaward Survey Timeliness

Service Standards
Trailer Cards
Contract Closeout
Termination Actions
Contractors with EVMS
Joint Agreements
DAWIA Certification
Course Completion
Training Quota Usage



Management Vertigo

**Flying by Looking out the Window,
Trying to See What is Happening.**





Management Vertigo Exists

- **Findings from IOAs**
 - **CAOs are working hard but...**
 - **Lack discipline/structure in going about the business of management**
 - **Don't systematically track metrics and/or other management data**
 - **No consistent approach to performance analysis - managing for results**



Preventing Management Vertigo

**Keep Your Eyes on Your
Instruments... Your Gauges...
Your Metrics...**

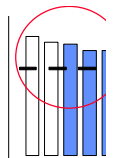


Ground School

- DCMC Policy Memorandum 96-54 - Procedures for Command Level MMRs (Sep 30, 1996)
- Enclosure - A logical way to view performance analysis and a sequence of steps to follow for process owners and process champions

Metrics Performance Analysis for Monthly Management Reviews

- **How are we doing?**
 - Going to meet target?
 - Does the trend look favorable? Trend analysis (hybrid): plot some dots, put a line down the middle, if extended to end of year does it go through or to the good side of the target value? (Note: Trend should be a logical result of whatever was done to change the process.)
 - Yes - go to next metric
 - No - find out **why**?
 - There is no target - now what?
 - Are we maintaining performance level? Trend analysis again - see if the line goes through or to the good side of the baseline value (the year's starting position) at the end of the year.
 - Yes - Go to next metric
 - No - Find out **why**?
- **Why?**
 - Three reasons:
 - Reason 1 - Operating elements not performing to process capability (operating elements are Districts/CAOs/individuals from HQ perspective, CAOs/individuals from District perspective, individuals from CAO perspective) and/or,
 - Review operating element (District and CAO) performance
 - Are they the apparent reason for not projecting/achieving victory or for taking the nose dive? Quick and dirty:
 - Compare the performance of the separate elements in a Pareto diagram to the average of the operating elements.
 - If the "outliers" (significantly different than others) were performing at the average for all operating elements would victory be at hand?
 - If the rest of the operating elements (non-outliers) were performing at the average level of the best three elements, would victory be at hand? (Presumes the top dogs are playing by same rules as rest)
 - If Yes - Go visit them - carry the word - show them the way
 - If No - Go to Reason 2.
 - Reason 2 - Something is amiss with the process
 - Do "root cause" analysis of process - MUST know what drivers of process are and have data.
 - Look at performance of ALL process drivers (a.k.a. - "feeder" metrics, critical process variables)
 - At least one should be exhibiting performance that would explain lack of performance (see "Going to meet target?" above). May have more. Some may be going south in a big hurry while others hold steady, easy to attribute blame. Some may be getting worse while others getting better, not so easy.
 - If yes - Do root canal on one(s) in trouble
 - If no - Go to Reason 3
 - Reason 3 - Nothing done to change process (includes resources used to execute the process)
 - If you did something it evidently didn't address the process drivers. What's the new plan?
 - If you didn't do anything, what's the plan?



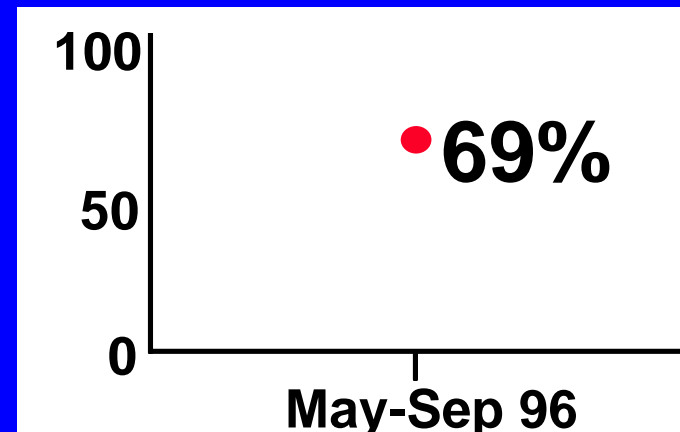


Flying Lesson #1

- Only One (1) Data Point:
 - Does It Signal a Possible Concern?
 - Compare to a Standard, the Goal/Target, a Reasonable Expectation
- Example - Right Item (% Conforming - Usable Lab Tested / # Lab Tested)

*If the Number Is Indicative,
Every Third Item We Inspect
At Its Source Is Unusable But
Is Shipped in Any Case!*

*Do Not Wait for the Second Data
Point to Show up Before You Start Further Analysis.*

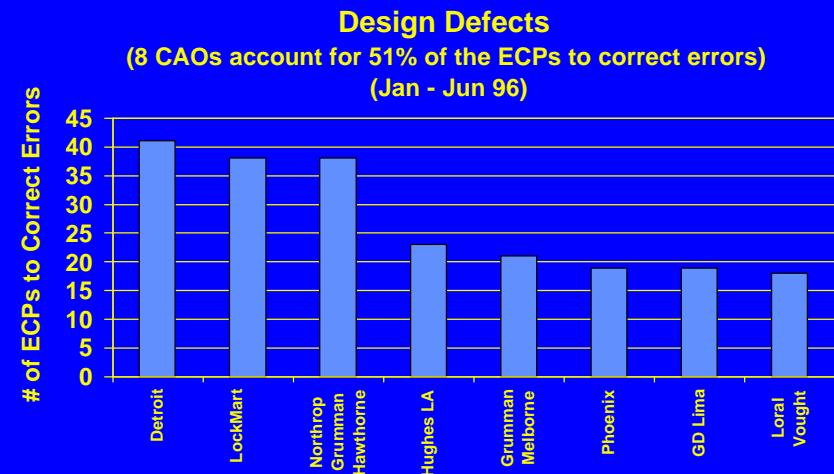




Flying Lesson #2

- Series of Data:
 - Stratified by Operating Element (i.e., CAO)
 - Compare the Operating Elements to Each Other, to the Average, to the Benchmark
- Example - ECPs to Correct Design Deficiencies

Can Those CAOs Perform To Average of Rest? What Would Our Performance Look Like If They Did? What If All CAOs Performed to a Level With The Best? Where Are The Opportunities?

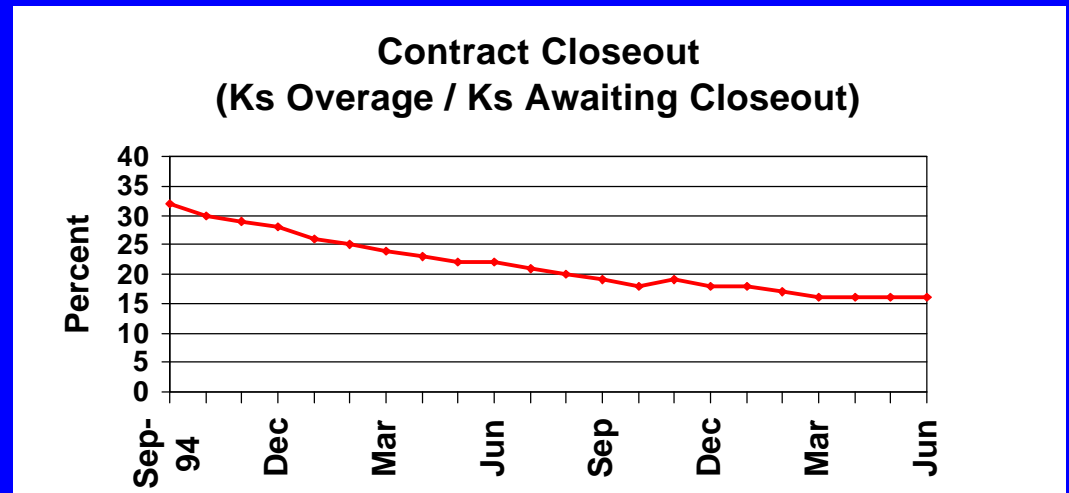




Flying Lesson #3

- Trend Data:
 - Our Most Valuable/Meaningful Analysis
 - Sufficient Data for Statistical Validity - About 16 Data Points - Don't Have to Wait for Monthly Data Though
- Example - Contract Closeout (Contracts Overage / Contracts Awaiting Closeout)

***Are We Getting Better?
Will the Current Trend
Allow Us to Meet The
Targeted Performance
Level?***

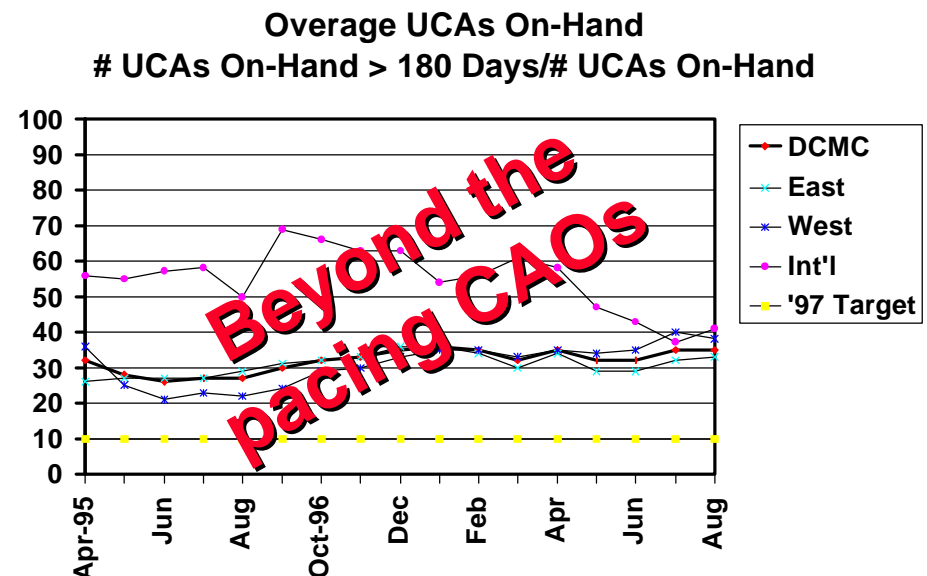




Flying Lesson #4

- What's Driving Our Performance:
 - Process Drivers/Feeders to Higher Level Metrics
 - Knowing What Makes the Process Produce What It Does/Perform the Way It Does
- Example - Overage UCAs (UCAs On-Hand >180 Days)

***What Are the Drivers Of Our Performance?
Applicable to Top Level And "Feeder" Metrics.***





Reasons For Overage UCAs

Step 1

- **Late or Inadequate Proposals**
- **Insufficient Funds**
- **Awaiting GFP Repairables**
- **Indirect Cost Issues/No Forward Pricing Rates**
- **Insufficient Staffing**
- **Design Changes Being Processed (PIOs)**



Reasons For Overage UCAs

Step 1a - Basic Reasons in Pareto Format

Late or Inadequate Proposals

Insufficient Funds

Awaiting GFP/Repairables

No Forward Pricing Rates

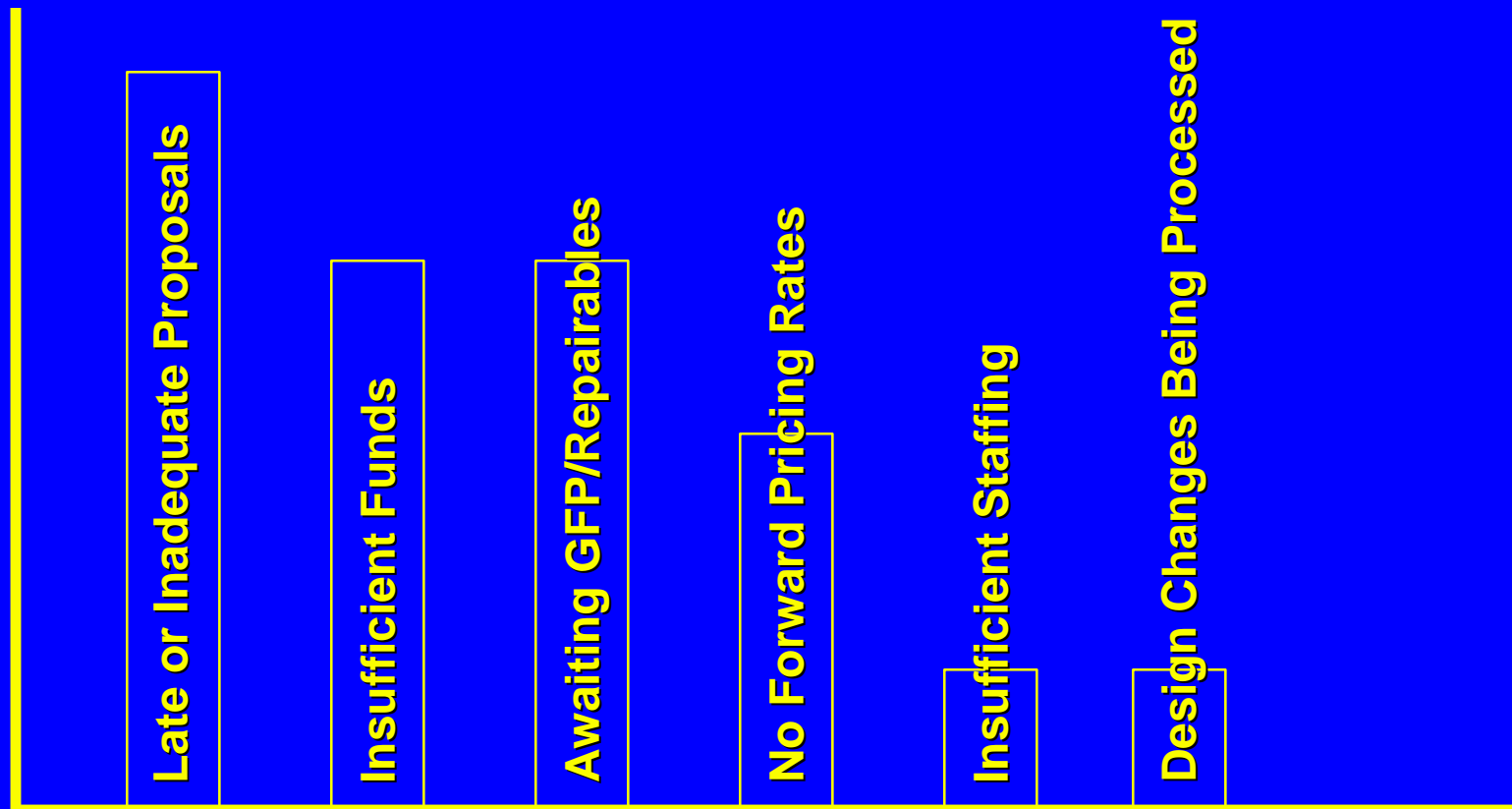
Insufficient Staffing

Design Changes Being Processed



Reasons For Overage UCAs

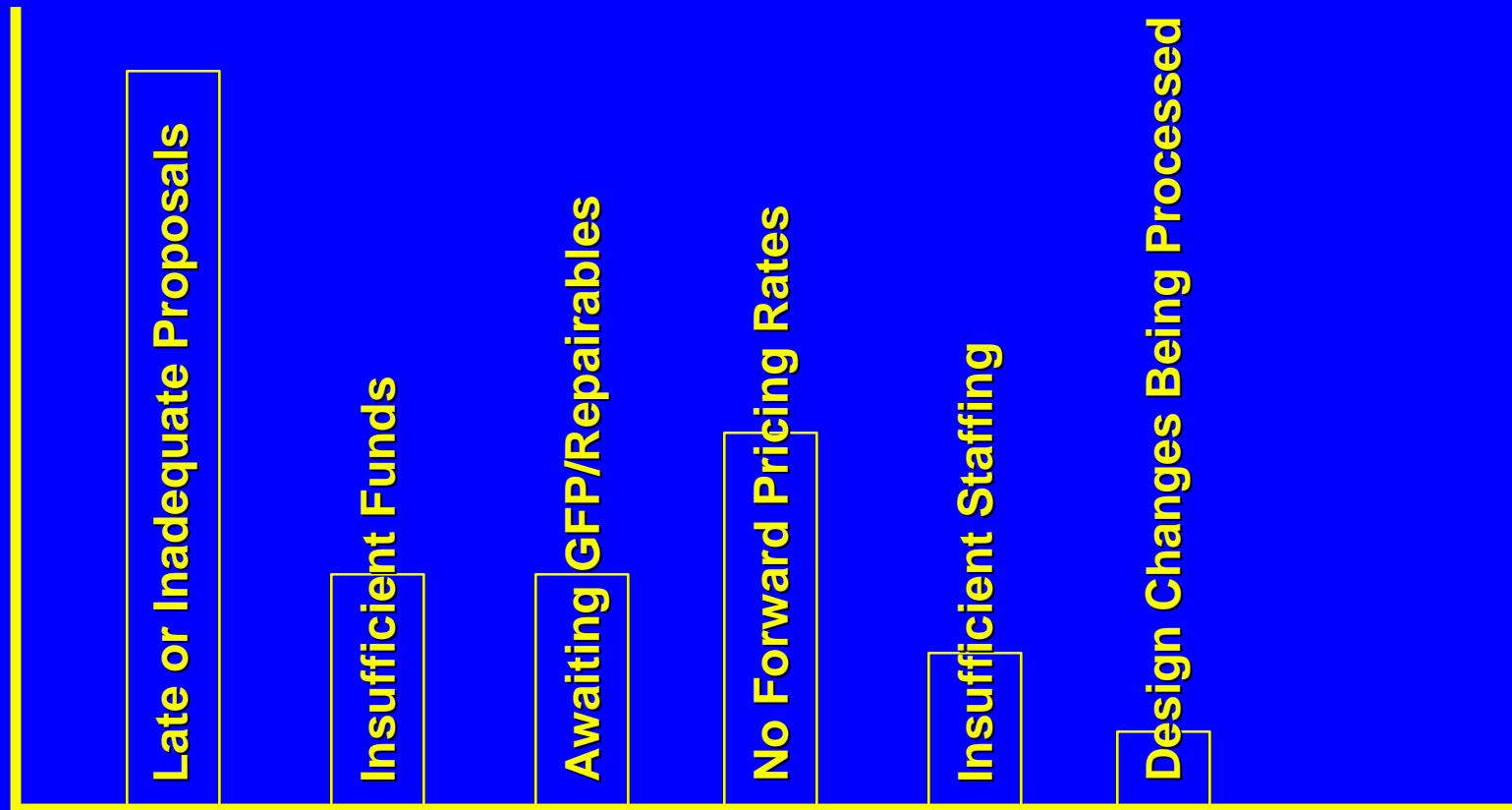
Step 2 - Basic Reasons w/ Magnitude of Impact (Pareto)





Reasons For Overage UCAs

Step 3 - Magnitude of Impact Weighted by Ability to Influence/Control (Pareto)





Right Price

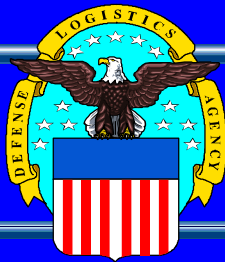
Overage UCAs On-Hand

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree Influence/Contr</i>
Late or Inadequate Proposals	10	10
Insufficient Funds	7	5
Awaiting GFP/Repairables	7	5
Design Changes being Processed	2	5
No Forward Pricing Rates	5	10
Insufficient Staffing	2	10



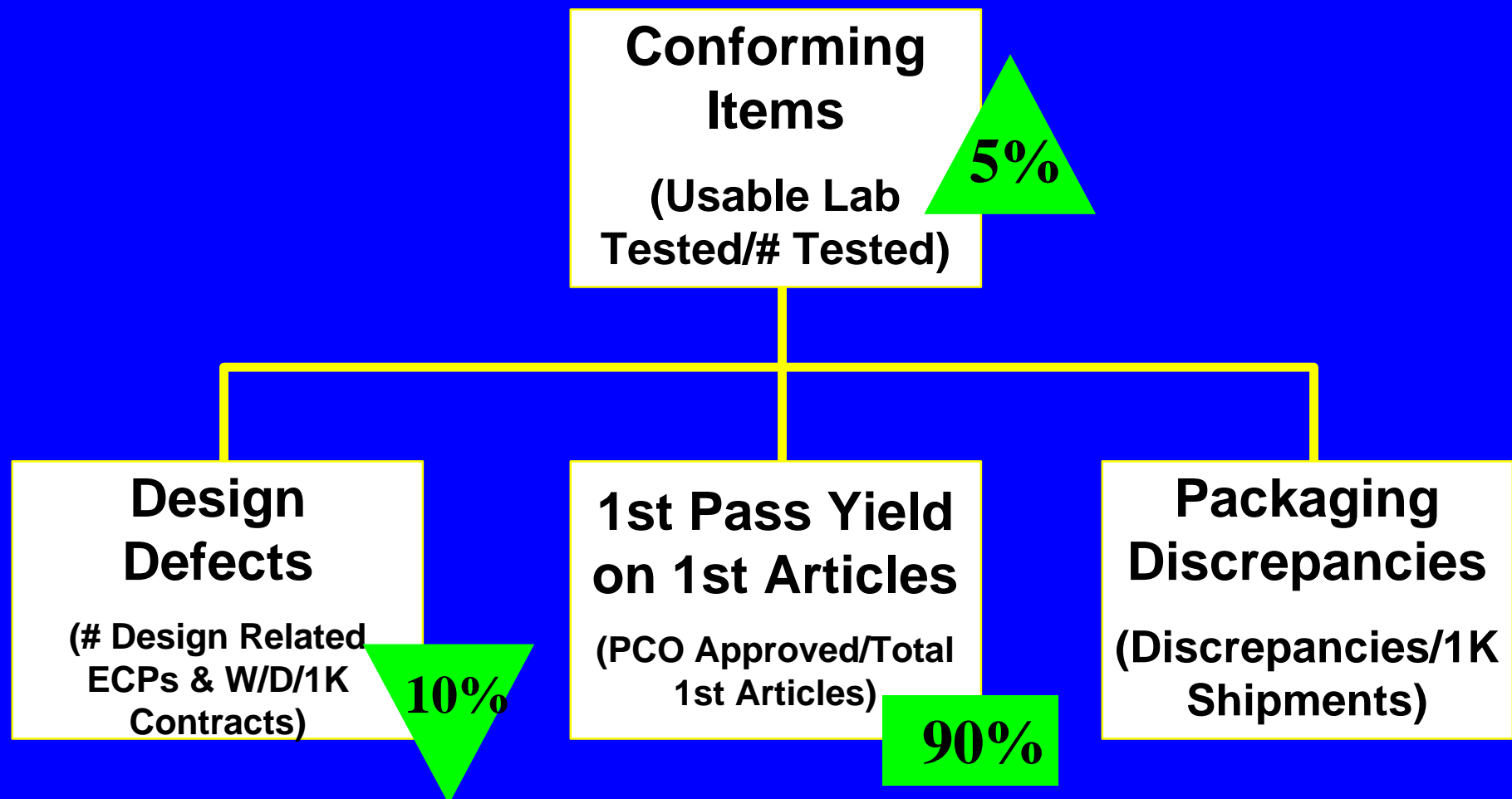
Flying Lesson #5

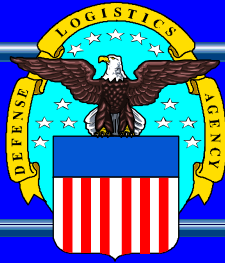
- **Everything You Need to Know to Be an Ace:**
 - *How You Are Doing - Your Metric's True Value*
 - *Is the Performance Moving - Better/Worse/Same*
 - *What Are the Metric's Process Drivers*
 - *Magnitude of the Impact of Those Drivers on the Metric*
 - *The Degree of Control/Influence You Exert Over Those Drivers*
 - *The Cost of Incremental Change for Each Driver and Thus the Metric*



Right Item

Does It Meet Contract Requirements?





Right Item...

Conforming Items

69%

- **Test Data:**

- **May through Sep**

- **Contract years 94-96**

- **Initial data alarming!**

- **Test Sites:**

- **DSCC**

- **DSCR**

- **Ogden ALC**

- **Watervliet Arsenal**

- **Data analysis on-going**

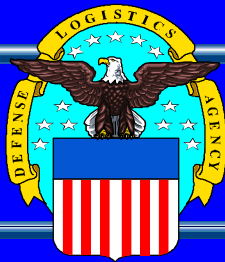
- **Identify lab sites**

- **Establish consistent data flow**

- **Automate data collection**

- **Focus up-front on characteristic selection process**

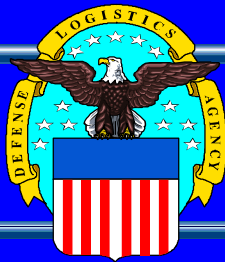
- **SFA prototype - Hands-On mentoring**



Right Item

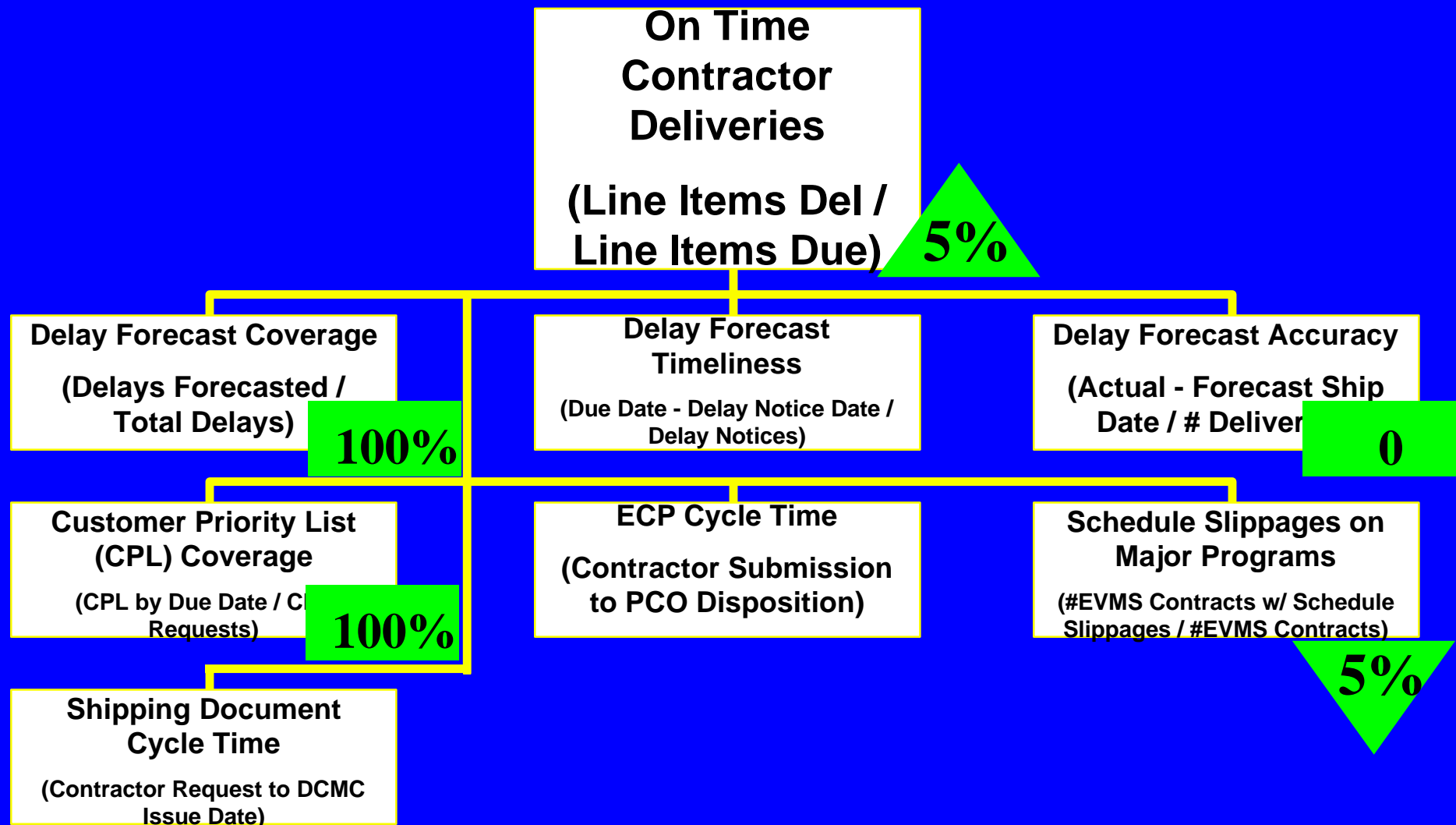
**Conforming Items - # Usable lab tested items
/ # of Items tested**

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Quality Planning/Process Control (contractor)	10	5
Production Planning (contractor)	10	5
Contractor Assessment (DCMC)	10	10
Contractor Surveillance (DCMC)	10	10
Contract Award (vendor selection)	7	3



Right Time

Is It Delivered On Time?





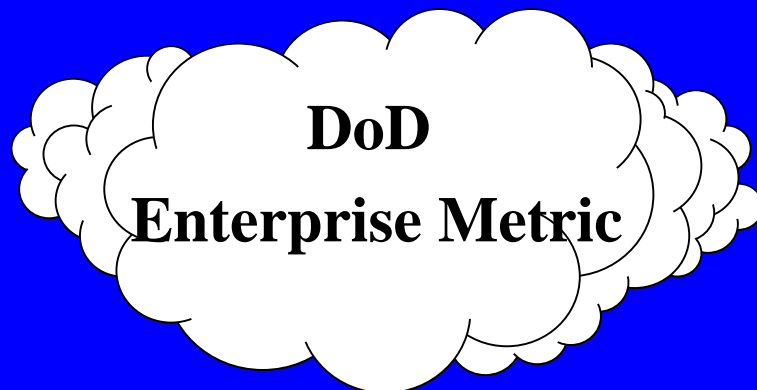
Right Time...

On Time Delivery

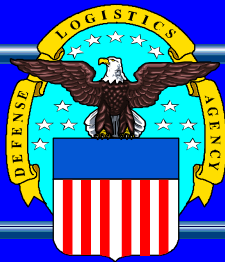
- Data based on original due date will be available Jan 97

- Historical delinquency rate too high - 18-23% (mod and non-mod contracts)

- Feedback from customers - they're not satisfied



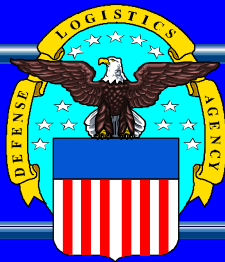
- Get surveillance process under control
- Focus up-front on critical processes
- Deploy ALERTS



Right Time

% Contract Line Items Delivered to Original Delivery Schedule

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Procurement Planning (Customer)	6	4
Solicitation and Award (Customer)	10	10
Solicitation Response (Contractor)	9	10
Production Planning (Contractor)	6	9
Production Management (Contractor)	4	4



Right Price

Do We Find Cost Savings & Avoidances?

Plant Clearance
ROA part of ROI
computation

**Realized Savings
& Avoidances**
**(Cost Savings &
Avoidances /
DCMC Budget)**

10%

Negotiation Cycle Time
**(Contractor Proposal
Receipt to Mod/Order)**

Overage UCAs On Hand
**(# On Hand Over 180
Days Old)**

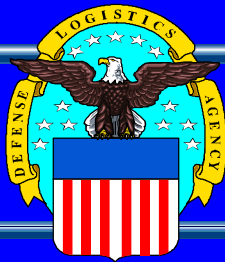
10%

FPRA Coverage
**(# Completed / # Beneficial
Segments)**

60%

**Cost Overruns on Major
Programs**
**(# EVMS contracts w/Cost
Overruns / # EVMS Contracts)**

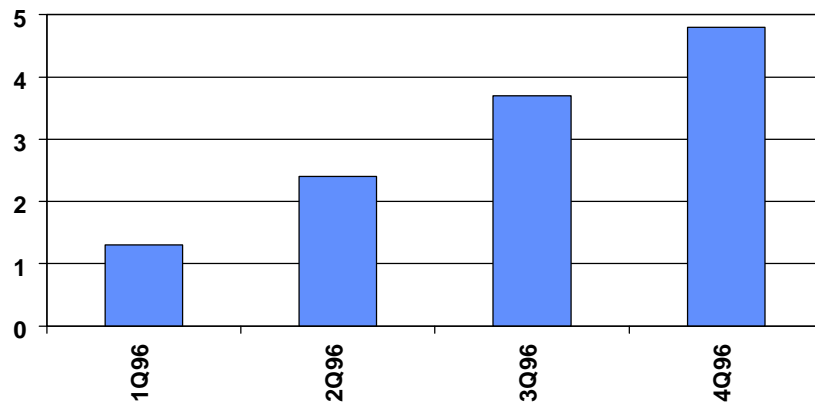
\$ Value LDD Property
**(\$LDD/Value Gov't
Property)**



Right Price...

Cost Savings & Avoidances

Cost Savings and Avoidances
(Cost Savings & Avoidances/DCMC Budget)



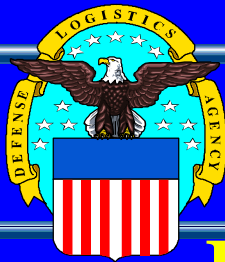
- Looks pretty good to meet or beat target for '97

\$4.8B (+10% over '96) in savings/avoidances approximately

3 categories make up over 70% of all savings & avoidances

- Negotiations
- Corrective Action Requests
- Process Improvements

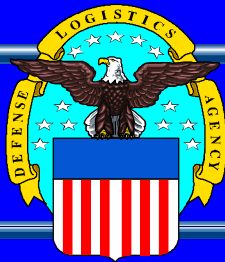
- Focus on process
- Vigilance is the key
- Proactive all the time



Right Price

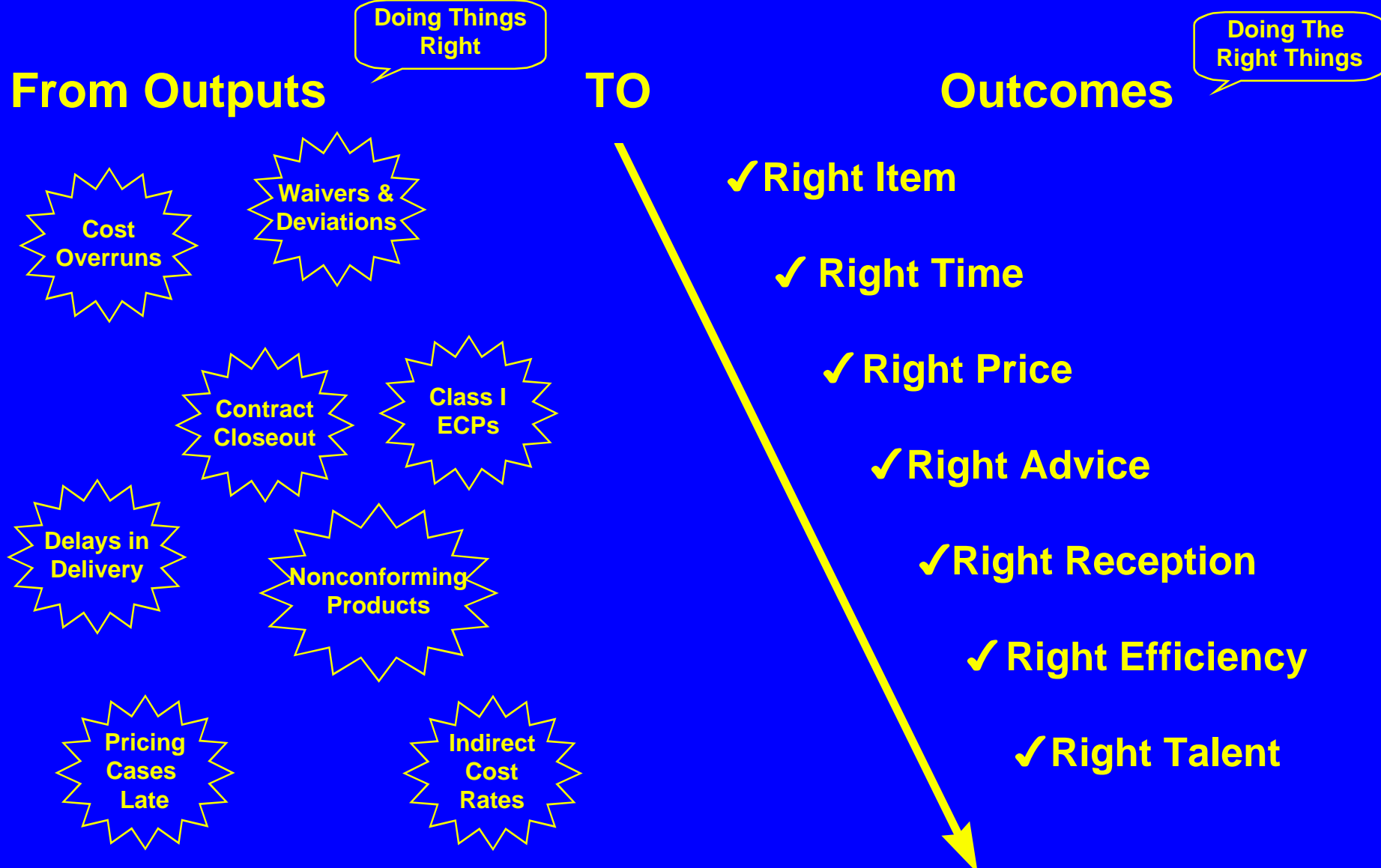
Return On Investment of 10 Percent over FY 96 Baseline

<i>Process Drivers</i>	<i>Relative Impact on Top Level Metric</i>	<i>Relative Degree of Influence/Control</i>
Contracting Officer Price Neg	10	5
Final Overhead Rates	5	3
Product Noncompliances	5	8
Gov't Property Reutilization	3	5
Litigation	3	10
Others	3	3



Measures...

Doing Today's Mission



**“The Best Way to
Predict the Future is
to Create it.”**

Peter Drucker





Initiatives...

Building Tomorrow's Organization

Risk

- Align Resources to Contractor and Product Capability
- Try Alternate Oversight Approaches
- Reengineer DCMC Processes to Risk-Based

Acquisition Process

- Stay Up with External Process Changes
- Turn Data into Usable & Actionable Intelligence
- Maximize DCMC Role as DoD Change Agent

Workforce

- Establish Effective Workforce Development System
- Define & Acquire Future Workforce Skills
- Establish Certification & Currency Programs

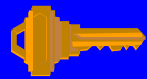
Infrastructure

- Use Information Technology to Advance Business Processes
- Communicate More and Better
- Use Assessments of Business Processes to Improve Performance

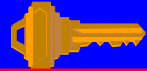




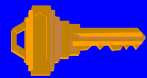
Acquisition Process... Beyond "Single Face"



Stay Up with External Process Changes



Turn Data into Usable & Actionable Intelligence



Maximize DCMC Role as DoD Change Agent

- Mergers and Acquisitions
- SPI
- Audits and Reviews
- Pollution Prevention
- Earned Value Management Systems (EVMS) - formerly C/SCSC
- Management Councils

**Quarterback
Force
Multiplier**



Pollution Prevention

- **Goal: Eliminate hazardous materials from processes and products**
- **Initiated in 1994 by JLC Joint Group on Acquisition Pollution Prevention (JG-APP)**
- **7 pilot sites currently in progress; 10 new contractor sites wanted**
- **DCMC asked to take over management role**
- **You need to:**
 - **Get smart on initiative - pick up brochure and talk to pilot site commanders**
 - **<http://www.jgapp.com/pilotma3.htm>**
 - **Anticipate “Fast Start” kit**



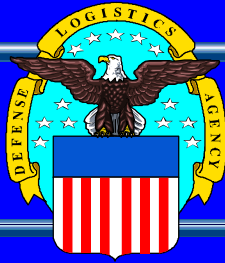
Current Pilot Sites

- **Boeing Defense and Space Group (Seattle WA)**
- **General Electric Aircraft Engines (Evandale OH)**
- **Hughes Missile Systems Company (Tucson AZ)**
- **Lockheed Martin Electronics & Missiles & Information Systems Companies (Orlando FL)**
- **McDonnell Douglas Aerospace-East (St Louis MO)**
- **Texas Instruments Defense Systems and Electronics (Dallas TX)**
- **United Technologies Corporation-Pratt & Whitney (West Palm Beach FL)**



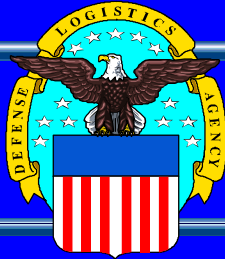
Contractors Expressing Interest In Pollution Prevention Participation

- Raytheon (Lexington MA)
- Loral Electronics Systems (New York NY)
- McDonnell Douglas (Mesa AZ)
- Lockheed Martin (Nashua NH)
- FMC (Santa Clara CA)
- Harris Corp (Melbourne FL)
- Boeing Defense & Space Group (Philadelphia PA)
- Hughes (Los Angeles CA)
- Sikorsky Aircraft Corporation (Stratford CT)
- Lockheed Martin (Ft Worth TX)
- Lockheed Martin Aeronautical Systems (Marietta GA)
- Thiokol Corporation (Brigham City UT)



Earned Value Management System (EVMS)

- **Policy/Guidelines Stewardship**
 - DCMC assigned DoD Executive Agent - Dec 95
- **Policy/Guidelines Stuff**
 - DoD asks Industry to develop standard - Sep 94
 - Industry responds with EVMS Guidelines - Aug 96
 - Proposed DoD response - USD(A&T) expected Soon
 - EVMS replaces C/SCSC
 - Continue toward true "standard"
 - Regulations will be amended
- **Net Result:** DCMC in leadership role for getting regulatory changes, pushing toward new standard and educating everyone



EVMS (Continued)

- **EVMS vs. C/SCSC**
 - 32 criteria vs. 35
 - Focus on results vice procedures
 - Intent: Use EVMS as single system to actually manage
- **SPI opportunity!**
- **Speaking of reviews**
 - DCMC assigned responsibility for compliance reviews - Oct 96
 - Be up and running - Oct 97
 - PMs can still do baseline reviews
- **Net Result: DCMC in leadership role for institutionalizing new approach and streamlining reviews**



Management Councils

- **Critical to the success of SPI**
- **Critical as a force multiplier**
 - **Eliminating/Reducing duplicative audits**
 - **Coordinating pollution prevention activities**
 - **Moving to Earned Value Management System**

**Senior Level Involvement is Key to
Management Council Effectiveness**



What History Tells Me

CAS Has Been Very Important to the U. S. Defense Establishment For Many, Many Decades... It Will Continue to Be Very Important

- What Our Customers First Wanted, They Still Want... Right Item, Right Time, Right Price
- No Matter How Much We Change Organizationally Or in Size, It is Still Right Item, Right Time and Right Price
- The Movement Toward Centralization of CAS Activities Since Project 60 has been Driven by Factors Which Continue Today: Drive Down the Direct Cost on DoD for CAS and the Indirect Cost on Industry from CAS
- Therefore, While So Much is Changing Around Us, Keep Working Toward Meeting Customer Needs, Teamwork and Professional Skills of the Workforce, Especially in Our Core Competencies ... It's Tough... It's Leadership



Remember Our Duty

- **It's More Than Working Hard**
- **It's More Than Fixing What We Can See is Wrong**
- **It's**
 - **Being Smart**
 - **Using Process Management**
 - **Using Metrics**
 - **Always Remembering What Are and Will Be the Customers' Concerns**
 - **Using the Teamwork of DCMC**
 - **Enhancing, Protecting and Using the Skills of Our Workforce**



The Answer Is...

- **One Command - One Focus**
Customer, Customer, Customer
- **Fact Based Decisions**
 - **Analysis, Interpretation, and Prediction**
- **Process Orientation**
- **Linking Performance and Resources**



What History Tells Me

- CAS Has Been Very Important to the U. S. Defense Establishment For Many, Many Decades... It Will Continue to Be Important
- What Our Customers First Wanted, They Still Want... Right Item, Right Time, Right Price
- No Matter How Much We Change Organizationally Or in Size, It is Still Right Item, Right Time and Right Price
- The Movement Toward Centralization of CAS Activities Since Project 60 has been Driven by Factors Which Continue Today: Drive

Leadership

Customer Focus

Teamwork

Professional Skills

*Therefore, While so Much is Changing Around Us,
Keep Working Toward Meeting Customer Needs,
Teamwork and Professional Skills of the Workforce,
Especially Our Core Competencies ... It's Tough...
It's Leadership*